



Road builders: Higher fuel standards would hurt gas tax



Thinkstock

By Keith Laing - 08/11/14 02:30 PM EDT

The American Road & Transportation Builders Association (ARTBA) is warning federal regulators that stricter fuel efficiency standards for trucks and other large vehicles could result in less money coming into the fund used to pay for transportation projects.

The Department of Transportation (DOT) uses money that is collected from the federal gas tax, which is currently 18.4 cents per gallon, to help pay for infrastructure projects.

The tax has struggled to keep pace with infrastructure expenses in recent years as cars have become more fuel efficient, and now the federal government is considering boosting the mileage requirements for medium and heavy vehicles in 2018.

The Obama administration has already required that U.S. automakers achieve an average of 54.5 miles per gallon among for passenger cars by 2025.

Lawmakers had to pass a nearly \$11 billion rescue package for the transportation department's Highway Trust Fund last month before they left Washington for their traditional August recess. The transportation department had warned that the trust fund, which runs short about \$16 billion per year, would be out of money and construction projects would have had to have been stopped.

The road builders' group said regulators in the Obama administration should consider the impact of further fuel efficiency requirements on the beleaguered trust fund.

"While ARTBA does not oppose better fuel efficiency for vehicles, ARTBA has consistently urged NHTSA [National Highway Traffic Safety Administration] and the U.S. Environmental Protection Agency (EPA) to augment forthcoming regulations to compensate the HTF [Highway Trust Fund] for any projected dilution of motor fuel tax revenues resulting from reduced gasoline and diesel usage," the group said.

"A 2012 ARTBA analysis of the proposed standards indicates they could lead to the loss of more than \$70 billion in HTF revenues over the next 15 years due to declining motor fuel purchases," the group continued. "ARTBA further explained diluting federal transportation funds undermines the rule's main objective of cleaner air by decreasing the nation's ability to undertake new transportation improvements which reduce congestion and improve air quality."

The proposed new requirements follow a 2011 rule implemented by the Obama administration that forced trucks and buses companies to increase their fuel efficiency by as much as 20 percent by 2018.

The 2011 rule called for the development of a second round of mileage standard increases to be developed by 2016 to begin at the conclusion of the first part of the requirement.

The Obama administration has touted the development of its fuel efficiency standards for cars and large commercial vehicles as a big part of its efforts to address climate issues.

Obama administration officials have also said the new rules will save drivers money at the pump.

However, transportation advocates have already complained that the gas tax, which has not been increased since 1993, is insufficient to keep up with federal infrastructure demands.

Transportation groups pushed for the first increase in the gas tax in two decades in the recently completed debate about the \$10.9 billion road and transit funding extension, but lawmakers were reluctant to increase the tax in an election year.

The gas tax has been the traditional funding source for federal transportation projects since the inception of the Interstate Highway System in the 1950s.

TAGS: Highway Trust, Gas Tax, Corporate Average Fuel Economy (CAFE), Fuel economy standards, Transportation Economics

Like Share { 12 } Tweet { 25 }

The Hill 1625 K Street, NW Suite 900 Washington DC 20006 | 202-628-8500 tel | 202-628-8503 fax
The contents of this site are ©2014 Capitol Hill Publishing Corp., a subsidiary of News Communications, Inc.
